



Retiree Benefit Focus

Department of Administration, Office of Group Insurance

October 2008

HIGH DEDUCTIBLE MEDICAL OPTION AVAILABLE DECEMBER 1

As you know, rates on the Retiree Medical plans increased substantially July 1. This was the result of the State paying needed rate increases for FY2007 and FY2008 using excess reserve funds. Those one time monies were exhausted at the end of the 2008 plan year. In order to maintain the existing plan benefit levels, plan participants must now cover the increases incurred since FY2006.

We are very aware of the financial impact that the July 1 rate increase had on retirees. In response to many retiree comments, a new High Deductible Medical plan will be available to all Retirees effective December 1. The new plan provides retirees an option to lower their monthly premium payments.

The covered services under the High Deductible plan option will be identical to those covered on the existing Traditional medical plan. However, the deductible on the plan will be \$2,000 per member per year rather than \$350. The amount the covered member will be responsible for after the deductible will be 30% instead of 20%. The out-of-pocket maximum will increase to \$5,000 per member per year.

A brief benefits comparison and premium rates can be found on pages 2 and 3.

All retirees have an opportunity to enroll in the High Deductible plan. Those enrolling in the High Deductible plan will be given credit for any deductible amounts already met under their current coverage. Those retirees who may have dropped coverage due to the rate increase also have the option to re-enroll in the High Deductible plan, however they won't get any credit for deductibles they met under an individual plan. Retirees opting to re-enroll will not be subject to any pre-existing conditions waiting period.

Retirees wishing to enroll in the new plan option may do so by contacting the Office of Group Insurance at 1-800-531-0597 or in the Boise area at 332-1860 no later than 5:00 p.m. MST November 19.

If you are satisfied with your current Medical plan, no action is required.

MEDICAL PLANS COMPARISON

The following information is a brief comparison of the new High Deductible plan option –vs- the existing Traditional and PPO plans. An outline of the High Deductible plan benefits is available on the Group Insurance website under the [Blue Cross High Deductible plan Contract](#).

Benefit Provision	High Deductible Plan	Traditional	PPO In-Network	PPO Out-of-Network
Deductible	\$2,000 Individual \$6,000 Family	\$350 Individual \$1,050 Family	\$250 Individual \$750 Family	\$500 Individual \$1,500 Family
Out of Pocket Maximum	\$5,000 Individual \$10,000 Family (Includes Deductible)	\$4,300 Individual \$8,600 Family (Includes Deductible)	\$3,250 Individual \$6,750 Family (Includes Deductible)	\$6,500 Individual \$13,500 Family (Includes Deductible)
Lifetime Benefit Maximum	\$1,000,000	\$1,000,000	\$1,000,000	
Office Visit	Plan Pays 70% of Allowable Charges after deductible	Plan pays 80% of Allowable Charges after Deductible	Insured pays \$20 Co-pay (Additional services subject to Deductible and Co-insurance)	Plan pays 70% of Allowable Charges after deductible
In-Patient Hospital	Plan Pays 70% of Allowable Charges after deductible	Plan pays 80% of Allowable Charges after Deductible	Plan pays 85% of Allowable Charges after Deductible	Plan pays 70% of Allowable Charges after Deductible
Diagnostic Services	Plan pays 70% of Allowable Charges after deductible	Plan pays 80% of Allowable Charges after deductible	Plan pays 85% of Allowable Charges after deductible	Plan pays 70% of Allowable Charges after deductible
Prescriptions	Generic \$10; Brand no Generic \$18; Brand w/Generic \$40, Plus cost difference between generic and brand	Generic \$10; Brand no Generic \$18; Brand w/Generic \$40, Plus cost difference between generic and brand	Generic \$10; Brand no Generic \$18; Brand w/Generic \$40, Plus cost difference between generic and brand	Insured pays \$25 <i>and</i> 20% of the balance, per prescription

FY2009 MONTHLY PREMIUM RATES

The following table outlines current rates for the various Retiree Medical Plan options. This information, combined with the benefits outline on page 2, may be of assistance in determining which plan best meets your needs.

High Deductible Plan	Retiree Only	Retiree & Spouse	Retiree & Child(ren)	Family
No Medicare	\$460	\$819	\$600	\$959
One on Medicare	\$223	\$683	\$363	\$823
Two on Medicare	N/A	\$432	N/A	\$572
Traditional Plan	Retiree Only	Retiree & Spouse	Retiree & Child(ren)	Family
No Medicare	\$579	\$1,030	\$754	\$1,204
One on Medicare	\$274	\$856	\$449	\$1,030
Two on Medicare	N/A	\$531	N/A	\$705
PPO Plan	Retiree Only	Retiree & Spouse	Retiree & Child(ren)	Family
No Medicare	\$567	\$1,006	\$729	\$1,168
One on Medicare	\$274	\$843	\$438	\$1,006
Two on Medicare	N/A	\$531	N/A	\$692